

Message Text

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61

ACTION ARA-10

INFO OCT-01 ISO-00 OPIC-03 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

FEA-01 /103 W

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R 091440Z JUL 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 787

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 4866

E.O. 11652: GDS

TAGS: ENRG EC

SUBJ: TEXACO DISCOURAGED BY LACK OF GOE ACTION

REF: QUITO 4823

1. MAX CRAWFORD, TEXACO PRODUCTION MANAGER FOR LATIN AMERICA, AND ED MCKNIGHT, ACTING TEXACO LOCAL MANAGER, CALLED ON AMBASSADOR JULY 8 TO REPORT LACK OF PROGRESS WITH GOE REGARDING TEXACO'S OUTSTANDING PROBLEMS. MINISTER OF NATURAL RESOURCES VARGAS IS LEAVING ECUADOR TOMORROW FOR TWO WEEKS, AND NO DECISION ON ANY ISSUE CAN BE MADE UNTIL HIS RETURN. CRAWFORD SAID HE HAD NO PLANS TO MEET WITH MEMBERS OF THE SUPREME COUNCIL, NOR DOES HE ANTICIPATE SHIELDS' IMMINENT RETURN TO ECUADOR TO NEGOTIATE WITH THE COUNCIL. CRAWFORD (WHO IS USUALLY MORE OPTIMISTIC) COMMENTED THAT HE SAW NO WAY AROUND CURRENT DIFFICULTIES.

2. TEXACO HAS A DEPOSIT DUE JULY 9, WHICH CRAWFORD SAID "MIGHT" BE SUSPENDED DUE TO CERTAIN ACCOUNTING DIFFICULTIES, ALTHOUGH HE ADDED THAT SUSPENSION OF DEPOSITS WOULD NOT BE
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PARTICULARLY EFFECTIVE FOR TEXACO. IN RESPONSE TO AMBAS-

SADOR'S QUESTION, HE CONCEDED THAT SUSPENSION OF PRODUCTION WAS A POSSIBILITY. MCKNIGHT SAID, HOWEVER, THAT TEXACO HAD NO PLANS TO REFUSE TO LOAD ANY CEPE TANKERS, ALTHOUGH EITHER SOME TEXACO-GULF OR SOME CEPE TANKERS WOULD NOT BE ABLE TO LOAD THIS MONTH DUE TO OVERNOMINATIONS RELATIVE TO ACTUAL CRUDE STOCKS.

3. COMMENT: ALTHOUGH EMBASSY (AND PERHAPS TEXACO ITSELF) IS UNAWARE OF NEXT MOVE TO BE TAKEN, IT APPEARS THAT TEXACO IS REACHING POINT WHERE IT CANNOT PERMIT CEPE OVERLIFTINGS TO CONTINUE AND MAY BE ON THE VERGE OF JOINING GULF IN A HEAD-ON COLLISION WITH VARGAS.
BLOOMFIELD

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